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10 January 1956

MEMORANDUM FOR: Legislative Counsel

SUBJECT : Proposed Foreign Service Legislation

1. In an effort to determine any possible amendments to the Foreign Service Act, I called Mr. Edward Iyerly of the Legal Advisor's Office, Department of State. Mr. Iyerly is charged with the technical aspects of Foreign Service legislation and works very closely with Mr. Loy Henderson.

2. I was advised that the Department is presently putting the finishing touches on a bill which will be forwarded to the Bureau of the Budget on or about 13 January. The items in this bill are as follows:

a. Appropriate salary increases for career ministers and ambassadors.

b. Increase in the number of Foreign Service officer classes from 6 to 8.

c. Liberalization of the lateral entry provisions of Section 518 of the Foreign Service Act.

d. Increase from 30 to 35 years for the maximum number of years of service permissible in computing retirement annuities.

e. Amendment to Section 911 which pertains to travel and related expenses to permit payment of such expenses on a commuted basis. (Note: This apparently was part of an over-all bill passed by the Senate at the last session 8.25.49.)

f. Authorization to expend funds for establishment of commissaries.

g. Authorization to hire physicians and construct small emergency hospital facilities.

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h. Authorization to expend Government funds for recreational facilities.

i. Authorization for the use of Government-owned cars for employees abroad for recreational purposes.

j. Liberalization of the provisions relating to conversion of Departmental Personnel to Foreign Service.

k. Amendments to Sections 941 and 942 to permit payment of medical expenses to dependents of employees. In this amendment the present proposal is to delete the phrase "line of duty" and to use words similar to "as a consequence of an assignment abroad". Mr. Iyerly further advised that this item had been discussed in the last session of Congress with both Senators Sparkman and Mansfield who favored such a provision.

3. Concerning the Overseas Allowances Act, Mr. Iyerly advised that it was the Department's policy that if the specific provisions in such bill were as broad as existing provisions of the Foreign Service Act, there would be no objection on their part to including the Foreign Service in the bill and repeal of the specific similar provisions in the Foreign Service Act. It appeared the Department was concerned, as we have been, over the timing aspects of the Overseas Allowances Act and their proposed amendments. However, Mr. Iyerly advised that it was Mr. Henderson's view as well as that of the Board of the Foreign Service that these items were desirable and necessary and that they would request the Bureau of the Budget and the Congress for such authority in the hope of securing legislation without attempting to depend on or wait for the passage of the Overseas Allowances Act.

4. Mr. Iyerly was requested to forward a final draft of their bill as it is presented to the Bureau of the Budget. Copies will be made available to interested offices of CIA when received.

5. In view of the fact that basic CIA legislation is substantially lifted from the Foreign Service Act and in some cases verbatim, we would do well to consider our approach to the Bureau of the Budget and the Congress on our proposed legislation. The desirability is suggested

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of a meeting between representatives of this Agency (General Cabell or Colonel White) to review with Mr. Henderson our proposals and to see if any gain can be realized by combining forces to present our respective viewpoints to the Bureau of the Budget or the Congress.

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Deputy General Counsel

✓ cc: Deputy Director (Support)  
Director of Personnel

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